TOURISM MARKET PROFILE

JAPAN

PART I: HIGHLIGHTS

Prepared for

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TOURISM MARKET OPPORTUNITY PROFILE – JAPAN

SUMMARY HIGHLIGHTS

- In 1997, the numbers of visitors from Japan to both Canada and Alberta decreased significantly from record levels set in 1996. Visitation to Canada decreased by 12.6% from 647,700 visitors in 1996 to 565,900 in 1997 and to Alberta by 40.4% from 179,500 in 1996 to 106,900 in 1997.
- In 1998, Canada continued to experience a decrease in travelers from Japan of 14.4%, while visitation to Alberta recovered somewhat, with an increase of 8.91% to 116,400 visitors.
- In 1999, numbers of travelers from Japan to Canada increased by 6.7% to 516,100, and to Alberta by 27.4% to 148,300. These numbers are still below the record levels set in 1996, prior to the downturn in the Japan economy.
- Expenditures by travelers from Japan to Canada in 1999 were $571.8 million, an increase of 10% from 1998, but not yet returning to the levels set in 1996 ($689.7 million).
- Expenditures by travelers from Japan to Alberta in 1999 were $111.6 million, a 40.2% increase over 1998, however, still down from 1996 ($141.9 million).
- Japan was the second largest long haul tourism market (excluding the United States) for Alberta in 1999 (148,300)
- In 2000, major competitors for Canada for the Japan market were: the United States (including Hawaii), Europe, Australia, and Asia (Korea, China, and Southeast).
- Canada was ranked as the 10th most popular destination for Japanese travelers between 1996 and 1998, and then was bumped from the top ten in 1999. It was then ranked 10th in the Consumer Survey 2000.
- In 1999, Canada's market share was 5.8%, down from a high of 7% in 1996, but recovered slightly from a low of 5.4% in 1998.

Visitors From Japan to Canada and Alberta 1+ Nights 1995 – 1999

	1995	1996	1997	1998	1999
Overnight Trips to Canada (000s)	589.3	647.7	565.9	484.0	516.1
Year to Year Change (%)	-	9.9	(-12.6)	(-14.4)	6.7
Overnight Trips to Alberta (000s)	159.2	179.5	106.9	116.4	148.3
Year to Year change (%)	37.8	12.8	(-40.4)	8.9	27.4

Source: Canadian Tourism Commission Strategic Plan 2001 – 2001
Statistics Canada, International Travel Survey

NOTE: Different sources of information were used in the development of this profile. As a result, there may be discrepancies in statistics, such as visitation numbers.

SWOT ANALYSIS HIGHLIGHTS

Strengths	Weaknesses
• Alberta is known for the scenic and natural beauty of the Rocky Mountains, especially for mountains and resorts of Banff/Lake Louise. • Alberta is well positioned, and to a certain extent known for, sporting trips such as skiing and golf. • The Japan Travel Bureau (JTB Canada) website provides information in Japanese relative to Canadian destinations, organized by province, ski resorts, and optional summer and winter tours. • Nature remains the key draw for Japanese visitors, with additional interest in touring and city products • Safety and security, good travel infrastructure, culture and heritage products, shopping, and escorted and flexible tours in Japanese, important components of the tourism experience, are available in Alberta. • Japanese tend to take short holidays, providing very limited time for travel to more than one destination within Canada on any one trip.	• There is limited awareness regarding outdoors activities, sporting holidays, winter, culture/history, and resorts that are available. The perception is that there is a limited travel season, a lack of man-made attractions, big cities, and shopping. • Canada is not perceived as being very different from the USA. Therefore, additional information about what is available in Alberta and how it is different from the United States and other destinations is needed. • Canada and Alberta are perceived as being expensive and high-end destinations, but generally offering good value. • Air routing and capacity problems in terms of bringing visitors from Japan to Alberta means they must make connections through other gateway locations outside of Alberta. • The number of direct flights between Calgary and Edmonton to major gateway cities are limited, and many of the connector flights are on small, regional airlines with limited capacity at discounted fares for leisure travelers. • The merger of Air Canada and Canadian Airlines has made it difficult for potential visitors to find out about flight connections and routings within Canada.

Opportunities	Threats
• Japanese tourists are increasingly interested in special interest tourism activities, outdoor experiences, and ecotourism vacations. • Niche markets are developing in Japan in areas such as English study (Canada is perceived as being safer than the USA for students), skiing and snowboarding, and silver-aged nurturing tours (safe and clean). • Travelers for Aboriginal Tourism are seeking opportunities to learn in a safe environment at scenic destinations with high quality natural and cultural features. • While most Japanese still travel in pre-packaged tours, there is increasing interest in less expensive, "skeleton type" or flexible packages for price conscious travelers. • Seniors and other travelers from Japan have a higher participation rate in activities while traveling than in the 1980's and this will likely continue to change, providing opportunities to better define and develop packages/activities that will appeal to them. • Japanese are more strongly influenced by food services when choosing a destination than are North Americans. While reluctant to try new cuisine, they prefer higher end restaurants. This provides an opportunity to showcase and promote Alberta's award winning chefs and cuisine. • The recently announced development of a coordinated "Travelocity" type website by JAL, NW Airlines and others, provides an opportunity for advertising on the site. • There is an opportunity for Air Canada to become a partner on this site to provide better information on, and to be better positioned for, travel within and to Canada.	• Japanese travelers are still high spenders, however, they are becoming more price conscious and are purchasing fewer premium tour packages. • Length of stay by Japanese travelers to long haul destinations has been decreasing, as has the amount of money spent/person/day. • Slow economic recovery means that, while there is strong interest in visiting Alberta over the next 5 years, there is also concern about value for money and traveling now. • Reduced domestic air capacity in Canada is severely limiting access to destinations in Canada. • Ski market in Japan has declined dramatically. • Aggressive marketing campaigns from other countries, such as Australia, and low priced packages to other destinations (both long and short haul) provide attractive alternatives to Canada.

I. HIGHLIGHTS OF JAPANESE TRAVEL TO ALBERTA (See Tables 4, 17, 30, 31 and 32)

- In 1996, there were a record number of overnight visitors to Alberta from Japan (179, 500). Travel to Alberta then dropped in 1997 as a result of the slow down in the Japanese economy and reduced consumer confidence, before growing to 116,400 in 1998 and 146,000 in 1999.

- As the Japanese economy began to recover, visitation to Alberta rebounded in 1999. Expenditures rose by 40.2% in 1999 to $111.6 million from a low of $79.6 million in 1998.

- The incidence rate for outbound long haul pleasure travel from Japan is about the same in 2000 (25.5%) as it was in 1995 (26.1%). However, the size of the potential outbound market has actually increased from 24.8 million in 1995 to 26.1 million in 2000, due primarily to the increase in population. Based on the percentage of long haul travelers who are very or somewhat interested in visiting Canada within the next five years (61%), the size of the potential market to Canada is about 15.9 million travelers. This is down slightly from 16.1 million potential visitors (65%) identified in 1995. This is still a significant number of potential visitors, with positive implications for Alberta.

- A 1998 In Flight Survey showed that Japanese visitors are likely to have spent at least one night of their trip in British Columbia (80%), Alberta (79%), and Ontario (71%). This is particularly the case for summer visitors (79% summer vs 23% winter).

- The average length of stay by Japanese visitors in Alberta in 1999 was 3.6 nights.

- Japanese visitors to Alberta in 1999 traveled in small travel parties averaging 2.3 people, comprised mostly of adults. Few traveled with children (11.9%).

- Japanese travelers were generally middle aged, with an average age of 40.5 years.

- More females traveled from Japan than males, possibly representing the office ladies segment.

- The most frequently mentioned activities participated in by Japanese visitors while on their trip include: shopping (77.5%), sightseeing (86.5%), and visiting National, Provincial, Regional or Historic Sites (56.9%).

- Slightly more than half of the Japanese visitors to Alberta in 1999 arrived directly into one of the gateway airports in Canada (55%), while 45% entered through a gateway airport in the United States.

II. SOCIO-ECONOMIC FACTORS

II.1. Demographics

- In 1995, the population of Japan was 125.4 million, growing to an estimated 126.5 million in 1998. Population growth rate is estimated at 0.18% in 2000

- However, Japan has a decreasing population growth rate as result of a lower birthrate and higher life expectancy. In the longer term, the population of Japan is expected to decline from 127.5 million in 2010, to 123.6 million in 2020. In 1999, the number of births in Japan hit an all-time low of 1,175,000, down 28,000 from 1998. In 2000, Japan was ranked as having the 9th largest population in the world.

- The 1998 population profile for Japan is as follows:

  - 15.1% are 0 - 14 years of age (male: 9.76 million and female: 9.30 million)
  - 6.1% are 15 - 19 years of age (male: 4.00 million and female: 3.81 million)
  - 7.3% are 20 - 24 years of age (male: 4.74 million and female: 4.52 million)
  - 7.5% are 25 - 29 years of age (male: 4.94 million and female: 4.79 million)
  - 12.9% are 30 - 39 years of age (male: 8.26 million and female: 8.08 million)
  - 14.3% are 40 - 49 years of age (male: 9.11 million and female: 9.05 million)
  - 14.1% are 50 - 59 years of age (male: 8.85 million and female: 9.05 million)
  - 6.1% are 60 - 64 years of age (male: 3.73 million and female: 3.98 million)
  - 16.2% are 65 years of age and older (male: 8.52 million and female: 11.99 million)

- In 1920, the average age in Japan was 26.7. However, Japan is aging faster than any other nation, and in 1999, the average age was almost 40.1 years. It is now tied with Italy for the world's oldest average population.

- Japan has a very high percentage of elderly people in the population (20.2% between 50 and 64 years of age, and 16.2% over 65). It is forecast to become the country with the highest percentage of elderly in the population, with an estimated 1 in 3 Japanese to be senior citizens in 2050.

- Japan has the longest life expectancy in world, followed by Iceland and Canada. In 1935, men had a life expectancy of 46.9 years and women of 49.6 years; in 1999, it was 76.4 years for men and 82.8 years for women. In 1999, there were 11,400 people over the age of 100 years (82.6% were women), 1,200 more than in 1998.

II.2. General Economy (See Table 1)

- The recession in Japan in 1997 was caused by a serious bad debt situation amongst Japanese financial institutions. Since then, the central government has maintained an expansionary fiscal stance, and has worked to stabilize and recapitalize the banking sector and to decrease the number of bankruptcies by expanding government credit guarantees.

- Overall economic factors that may affect sustained recovery of consumer sentiment include: concerns regarding the pensions system, government fiscal conditions, bankruptcies of life insurance companies, and instability in financial markets.

- The economy grew by 3.2% in the first half of 1999.

- The growth rate of real GDP in 1995 was 1.5%, dropping to 1.4% in 1997 and to a low of –2.8% in 1998. This returned to 1.4% in 1999, and is forecast to remain relatively stable at around 1.4%.

- The Organization for Economic Cooperation and Development (OECD) forecasts that the economy is expected to continue to recover, driven by:
  - Improved consumer confidence leading to moderate growth in private consumption, reflecting pent up demand from the recession. Real private consumption declined from 2.1% change in 1995 to –1.1% in 1998, rebounding in 1999 to 1.7%, and forecast to reach 1.8% in 2001.
  - Consumer prices (including fresh food) have remained flat, with the inflation rate at 1.7% in 1997, 0.6% in 1998, and estimated at -0.8% in 1999.
  - Higher oil prices may push up import prices and other domestic prices will lag.
  - Recovery in income is lagging, and wage rates are unlikely to pick up until late 2000.
  - Household savings rates, measured at 13.7% in 1995, dropped to 12.1% in 1999, and are forecast to be around 12.5% in 2001, beginning a rebound.
  - Residential investment may stagnate for a time, but could surge prior to expiration of a temporary tax credit at the end of 2000.
  - High land and house prices mean many Japanese are foregoing their dream of owning a home; this in turn may result in increased discretionary time and money to pursue leisure.
  - Recovery in other Asian economies is likely to boost export volumes despite competitiveness and continued appreciation of the yen which began in mid 1998

II.3. Employment and Business Environment (See Table 1)

- The unemployment rate, which was around 3.4% in the mid-1990s, crept up to 4.1% in 1998 and to 4.7% in 1999. It is forecast to remain at around 4.7% over the next few years.
- There is ongoing substantial corporate restructuring in Japan due to excess capital and labour. This is eroding the guarantee of lifetime employment for a substantial portion of the urban labour force. Business investment remains weak, and labour market outcomes are forecast to continue to deteriorate.
- Participation rates in the labour force in Japan remain high, and in fact have increased from 76.4% in 1995 to current levels of 78.1%. These are forecast to increase to 78.9% in 2001.
- Japanese do not use vacation time to any great extent, taking only 8 days instead of the 25 days they are given. Holidays also tend to be broken up and taken in conjunction with long weekends rather than as extended periods of time. The average number of continuous holiday days actually taken during the summer vacation was 7.4 in 1999.
- Japanese tend to work longer hours than most nations. In response to international criticism, the government has begun promoting the five-day work week.

II.4. Exchange Rates (See Graph 1)

- Exchange rates (yen per US dollar) have varied considerably, from a low of 94.06 in 1995, to a high in 1998 of 130.91, to 112.91 in 1999, and to the current 107.96 in November 2000.

III TRAVEL TRENDS AND FACTORS

III.1. OUTBOUND TRAVEL FROM JAPAN

III.1.1. Incidence and Purpose of Outbound Travel from Japan (see Tables 2, 4 and 5)

- Instability in the Japanese economy since 1995 has had a major impact on outbound travel, resulting in a marginal 0.6% increase in outbound departures in 1997 and a 6% decline in departures in 1998. Recovery has been underway since 1999, when there was a 3.5% increase in outbound departures to 16.4 million trips, and this is expected to continue.

- The incidence rate for long haul pleasure travel, which increased steadily between 1986 and 1995, is about the same in 2000 as it was in 1995, although the population has increased slightly. This means that about 25.5% of Japanese have taken a long haul pleasure trip in the past three years or plan to take one in the next year. A long haul pleasure trip was defined as a trip outside Japan for four or more nights, by plane, taken in whole or in part for pleasure.

- The size of the potential long haul pleasure market from Japan is estimated at 26.1 million travelers.

- Many Japanese (80%) feel that overseas travel is a "high priority for my time". However, many are delaying their long haul plans until the economy strengthens (73%), or until the exchange rate improves (63%).

- Fewer travelers in 2000 feel that "money spent on overseas travel is money well spent" (66% in 2000 compared to 72% in 1995). This likely reflects economic pressures and the devaluation of the yen.

- Pleasure vacation trips account for most travel in 2000 (71%), an increase from 55% in 1995. This reflects the rebound in the economy and the increased maturity of the market.

- During the same period, there has been a decrease in combined business-pleasure travel trips and company-paid vacations from 21% of the market in 1995 to 8% in 2000, reflecting the changing structure of the economy.

- In 1999, Japan's Ministry of Foreign Affairs issued 5,611,979 passports, a 4.5% increase over the previous year and the first increase in three years. For the first time, females requesting passports outnumbered males. Interestingly, the number of lost/stolen passports that must be re-issued has increased by 9%, with 5000 being re-issued in 1999.

- Japanese living abroad may act as motivators for visits from friends and relatives, and may provide a vehicle for sharing travel information to encourage such visits. In 2000, 11% of travelers indicated they were visiting friends and relatives, up from 8% in 1995. In 1999, the Japan Ministry of Justice estimated the number of Japanese living abroad in selected countries to be:
  1. United States (293,606)
  2. Brazil (79,050)
  3. United Kingdom (55,224)
  4. China (43,997)
  5. Australia (33,188)
  6. Canada (30,681)

III.1.2. Top Destinations for Japanese Travelers (See Tables 6 and 7)

- Statistics from the Ministry of Justice Annual Report of Statistics on Legal Migrants show that the United States has been the number one foreign destination for Japanese for the past 4 years, with Korea in second place since 1997.
- Australia was in third place in 1997 and 1998, having moved up from 4th place in 1996. However, in 1999, it was bumped to 7th place behind several other Asian countries.
- The short haul Asian countries of Korea, Thailand, China, Taiwan, Hong Kong, and Singapore, have remained important destinations for Japan. Thailand has increased in significance, becoming 4th most popular destination in 1998 and 1999.
- The United Kingdom, in 11th place in 1996 and 1997, and in 12th place in 1998, moved into 10th place in 1999, ousting Canada who has held this spot since 1996. Canada did not appear in the listing of top 10 destinations for Japan in 1999.
- Italy has remained consistently in 9th place since 1996, with a slight increase to 8th position in 1998.
- It should be noted that the statistics used in this analysis are lower than those recorded by Statistics Canada. Any differences are likely proportional, so the ranking of destinations would probably remain unchanged.

III.1.3. Length of Stay and Expenditures for Outbound Travelers from Japan (See Tables 8, 10, 11 and 12)

- A significantly higher proportion of travelers are spending fewer nights away from home on their trip in 2000 compared to 1995 (63% spent 4 to 7 nights in 2000 compared to 47% in 1995). This was at the expense of trips that were 8 to 14 nights in duration. Trips over 15 nights away from home remained relatively constant between 1995 and 2000.
- Japanese travelers are becoming more price-sensitive and cautious about spending on their vacation.
- Travelers spent less on their long haul trips than in the past, with average trip expenditures dropping by 23% since 1995, and per person per day expenditures dropping by 7%.
- In 2000, having a safe and clean environment was the most important value-related attribute considered by Japanese when selecting their long haul travel destination (70%). This was followed by: see something new and different (66%), experience a different culture (65%), good service and friendly people (62%), and nice scenery (62%).
- Price related attributes of importance in 2000 included: good prices for accommodation (63%), good prices for shopping (56%), and good prices for food and entertainment (52%). These attributes demonstrate the price sensitivity of the Japanese long haul traveler.

III.1.4. Trip Planning and Travel Arrangements (See Tables 9, 23 and 24)

- Long haul travelers now book their trips further in advance to obtain better deals. The amount of time a long haul trip was booked prior to departure increased on average from 1.8 months in 1995 to 2.5 months in 2000.

- Prior to 1997, 53% of Japanese booked their trip less than one month prior to departure.

- The majority of trips to all destinations (74%) are booked through travel agents. Price-sensitive travelers are increasingly booking their trips through air ticket discounters, with 11% of recent trips booked in this manner. Only 6% of all trips were booked through the internet in 2000.

- Japanese travelers are using travel packages at the same rate in 2000 as they did in 1995, at around 68%. Those visiting Canada are slightly less likely to book package tours (64% in 2000). There is an increasing interest in having some flexibility in the package while at the destination (e.g., free time type package).

- Potential Aboriginal tourists from Japan are seeking travel products that:

  - Can be planned by them between 2 to 3 months in advance with the aid of detailed brochures/ pamphlets published in Japanese,
  - Are available in packaged formats of between 1 to 2 weeks in duration,
  - Involve the use of superior, mid-priced hotels,
  - Offer flexibility in the range of different activities pursued and destination visited within the package,
  - Are hassle-free experiences that allow them to get away from the job and relax in clean and scenic environments,
  - Can be booked easily using well established credit cards,
  - Can be taken with a spouse or significant other, and
  - Clearly give them a sense they are getting a fun-oriented, value-packed package at a fair price.

III.1.5. Activities Participated in by Japanese Travelers (See Table 29)

- A Japan Travel Bureau (JTB) foundation survey in 1996 showed that the following activities were the most popular for Japanese overseas travelers.
  - Shopping (64%)
  - Visiting natural and scenic attractions (60%)
  - Visiting historical and cultural attractions (41%)
  - Gourmet sampling (33%)
  - Rest and relaxation (30%)
  - Visiting art galleries and museums (27%)

- The 1999 CTC In Flight Survey asked respondents to identify activities they either had participated in while in Canada or that they would like to participate in on future trips. These included:
  - Visiting National Parks (79%)
  - Visiting natural attractions (65%)
  - City walking/sightseeing tours (52%)
  - Shopping (42%)
  - Visiting other parks (30%)
  - Wildlife viewing (25%)
  - Sightseeing boat cruises (21%)
  - Visiting gardens (20%)
  - Visiting manmade attractions (18%)
  - Hiking (17%)
  - Visiting historical sites (16%)
  - Visiting Art Galleries, Canoeing, and Bicycling (10% each)
  - Golfing (8%)
  - Downhill Skiing (4%)

- A survey of Japanese free time activities, completed by the Japan Leisure Development Centre in December 1999, identified the following as the most popular leisure activities participated in by Japanese:
  1. Eating out (excluding that on a daily basis)
  2. Driving (to a cooler or warmer place, hot spring, etc)
  3. Travel within Japan
  4. Karaoke (sing along)
  5. Watching videos
  6. Listening to music
  7. Gardening
  8. Visiting zoos, botanical gardens, aquariums, museums
  9. Visiting bars, pubs, and other drinking spots

- The same survey identified the top ten participation sports as of 1999 as:
  1. Gymnastics (not using equipment)
  2. Bowling
  3. Jogging, marathons
  4. Swimming in a pool
  5. Fishing
  6. Baseball
  7. Cycling, cycle sports
  8. Training
  9. Golf (driving range)
  10. Skiing

III.1.6. Socio-Demographic Characteristics of Outbound Travel From Japan (See Table 13)

- In 2000, women accounted for a much greater market share of travelers than in 1995 (58% vs 45%), reflecting the reduction in combined business-pleasure travel.

- The market in 2000 tends to consist of older, more affluent travelers who can better afford to travel than younger and lower income earners (40% of the market is 45 to 64 years of age compared to 35% in 1995).

- Travelers in 2000 are better educated, with 43% having college or university education, compared to 36% in 1995.

- Travelers in 2000 have higher household incomes (42% have incomes of 7 to 11.9 million yen compared to 38% in 1995). In total, 46% have incomes of 10 million yen or higher in 2000 compared to 34% in 1995.

- The tendency to bring children along on long haul trips has decreased from 20% in 1995 to 14% in 2000, reducing the short-term demand for family-oriented attractions and products.

- In general, Japanese are much more likely to travel with friends or acquaintances (29%), than with their spouse (13%) or family and relatives (21%). However, those travelers visiting Canada are more likely to travel with their spouse (23%) and less likely with fellow employees (4%).

III.1.7. Japan Market Segments and the Potential for Visiting Canada (See Tables 14, 15, 16, and 18)

- **The Japan Travel Trade** has identified several market segments for the pleasure travel market, including Office Ladies, Middle Aged, Full Moon Couples, Seniors, Students, and Honeymooners, plus niche markets for skiers and golfers. Each of these segments is briefly described below.

1. **Office Ladies** (approximately 1.2 million or 7.2% of the potential market to Canada): The Japan Office Ladies segment, including young (18 – 29 years of age) and old (30 to 44 years of age), are generally single with lower household incomes than other segments. However, because they don't have family commitments, they have the disposable income, interest and time to travel, making them the largest group of women travelers.

   Office Ladies tend to be more spontaneous in booking their trips, and enjoy doing their own trip planning and research with travel guides and brochures. They are fairly cautious in their trip spending, and are more likely than others to book their trip through an airline discounter. Their desire to travel remains high, although many are waiting for the economic situation to improve before resuming overseas travel. In the CTC Consumer Survey 2000, 63% of Office Ladies indicated an interest in visiting Canada within the next five years, although they perceive it as weaker in value than other destinations.

   The September issue of Travel Journal International indicates that Canada ranks 14th in popularity as a tourist destination for Japanese women between 20 and 24 years old. Japanese women travelers have been increasing in numbers steadily, finally surpassing the number of males in 1999. The Japan Travel Trade sees women taking a larger share of the overseas travel market and expects to see a dramatic growth over the next ten years.

2. **Middle Aged Silver** (approximately 25.2% of the potential market to Canada): This segment includes individuals aged 45 to 59 years. They tend to be big spenders, and have the high incomes necessary to support overseas travel. They are interested in nature and outdoors activities. They are largely package users (80%), and the availability of all-inclusive packages is more likely to factor into their destination decision-making. They rely heavily on travel agents for trip planning information.

   The Middle Age segment perceives Canada as offering good value and price. They represent the highest potential for travel to Canada with about 4.4 million travelers indicating they are very or somewhat interested in visiting Canada within the next five years.

3. **Seniors or Silver Market** (approximately 2.0 million or 11.5% of the potential market to Canada): This segment includes individuals aged 60 years of age or older. Seniors are generally less sophisticated travelers, being less likely to choose the destination themselves and rely on travel agents. They tend to seek comfort and convenience, and are willing to pay more for destinations that offer high quality accommodation, all-inclusive packages, and a safe and clean environment. Value for price is very important. This is a growing market segment in Japan.

   Seniors have remained less affected by the economy, and this segment has more than doubled in size since 1995. Most of the 3.5% increase in outbound travel in 1999 was attributable to those over 65 years of age. Research from various sources has shown that the travel propensity for seniors is assumed to be higher than previous age cohorts, reflecting medical advances, improved diet, housing and public health conditions, safer and more satisfying work, and reduced family responsibilities as children move out. Also, a trend has been observed in Japan that retired Japanese are spending more on themselves rather than saving for their children's inheritances, possibly reflecting an intent to reduce the high inheritance tax burden.

   Research has also shown that seniors are becoming more active, and tend to prefer a hub and spoke travel style, where they stay in one place as a base instead of rushing from point to point.

4. **Full Moon Couples** (approximately 1.8 million or 11.8% of the potential market to Canada): This segment (similar to the Empty Nesters in North America) tends to be travelers aged 45 or older, traveling together as a couple. They are relatively well off, and tend to be big spenders when they travel. They choose high quality accommodation, and tend to make destination decisions on their own and to book well in advance of their departure. They are more likely than other segments to travel to Europe.

   Seniors and Full Moon Couples represent 11.5% and 11.8% of the potential market to Canada, respectively. Both indicate an interest in visiting Canada within the next five years (Seniors 66% and Full Moon 58%). Both segments rate Canada highly on value (safety, cleanliness, scenery), but price perceptions are a concern. Seniors were the most likely to visit Banff or the Rockies on future trips.

5. **Students (Shugaku Ryoko)** (approximately 11.3% of the potential market to Canada, with an estimated 8,000 students expected to visit in 2001): This segment includes university or college students over 18 years of age. They tend to take long trips, often to study. The United States is a popular destination, particularly for studying English. They are very cost conscious, spending less on their trips despite them being of longer duration. They tend to purchase their trips through airline discounters, and to choose inexpensive accommodation and transportation arrangements. They are looking for something new and different when they travel.

   In the CTC Consumer Survey 2000,58% of Students indicated an interest in visiting Canada within the next five years, although they perceive it as weaker in value than other destinations.

6. **Honeymooners/Weddings**: This segment includes couples on their honeymoon. The 2000 survey sample was too small to provide specific details regarding this segment. Past research shows that this group spends almost double what the average Japanese long haul pleasure traveler spends. They also tend to use packages (90%), and have higher than average participation in most activities.

   Spring and autumn are the preferred seasons for weddings in Japan since they are not peak times for travel. In 1998, the average length of a honeymoon was 7.8 days, with the most popular destinations being Hawaii, USA mainland, and Australia.

   For the fifth year in a row, Japanese couples choosing to wed and honeymoon away from home is on the increase. The number of Japanese couples marrying overseas has doubled since 1994 to 13,422 couples. The Travel Journal International reports that Hawaii is still the destination of choice (7,416 couples), but Canada had 225 Japanese couples marry in 1999, up 41% from 159 in 1998. The primary choice of location for weddings in Canada has been reported as Prince Edward Island.

7. **Skiers**: This niche market is made up primarily of young men and women, including honeymooners. A 1995 study indicated that Japan has the largest ski market in the world in terms of skiers and money spent on related clothing and equipment. The profile of alpine skiers in 1995 showed that they were generally male (69%), with an average age of 32 years. They were well-educated and likely to travel independently with friends. They had expressed a high interest in visiting Canada for skiing (e.g., over 90% expressed interest in visiting Canada within the next 5 years).

8. **Golfers**: This niche market is made up primarily of middle aged men (72% in 1995). They were likely to be married (84%), but most did not travel with their spouses. They tended to be in administrative or management positions, and were more likely to combine business and pleasure (40%). They tended to travel with other colleagues in fairly large groups of more than five people. They had expressed an interest in visiting Canada for golfing within the next five years (58%). In light of the major reduction in combined business and pleasure travel, this niche market is potentially negatively affected. However, the potential interest by the Middle-aged, Senior and Full Moon couples in travel that is more activity based may bode well in the future for expansion in this niche.

This is further supported by a 1999 survey of golfers in Japan that showed that the Japanese golf market, considered to be the world's largest, is becoming active again after a downturn in 1998. A comparison with similar surveys completed in 1995 and 1997 shows that the average number of rounds per year and spending on golf have increased for all age groups, except for males in their 20's. The average number of rounds by female golfers in their 20's and 30's increased from 15.3 to 21.7 (20's) and from 19.4 to 26.2 (30's) times a year. While men tend to play with their business colleagues and friends, women in their 30's and 40's play with their husbands, and women in their 50's play with their girl friends.

- **Aboriginal Tourism Study Market Segments:** Two additional market segments were identified in 1999 by Williams and Dossa specific to Aboriginal Tourism. These segments have characteristics that cross over the above-noted Travel Trade segments. The two groups of segments have not been combined.

1. **Budget Conscious Culturalists** account for 68% of the potential Aboriginal Tourism market (approximately 1.5 million between 1996 and 2001). This segment is generally male (56.6%), married (57.9%), and aged 25 to 34 years (32.5%). They generally do not have household members under 18 years of age (58%), and approximately 33.3% are college or university graduates. There is generally only one household income contributor (63%).

   Their perception of the product and activity attributes of the Canadian product is ranked as follows: outstanding scenery, mountainous areas, wilderness and undisturbed nature, environmental quality, lakes and rivers, national parks and forests, visits to appreciate natural ecological sites, wilderness adventures, chance to see wildlife, bird and flowers, and alpine skiing.

2. **Comfort Seeking Adventurers** account for 32% of the potential Aboriginal Tourism market (approximately 689,000 between 1996 and 2001). This segment is male or female, with 50.1% being male. They are generally married (72.1%), and between the ages of 25 and 34 (31.2%). They generally do not have household members under the age of 18 years of age (68.3%), and approximately 36.2% are college or university graduates. The biggest difference from the Budget Conscious Culturalists is that almost half of these have two household income contributors.

   Their perception of the product and activity attributes of the Canadian product is ranked as follows: Outstanding scenery, national parks and forests, wilderness and undisturbed nature, mountainous areas, environmental quality, visits to appreciate natural ecological sites, chance to see wildlife, birds and flowers, lakes and rivers, destination that provides value for holiday money, and campgrounds and caravan parks.

III.2. JAPANESE TRAVEL TO CANADA

III.2.1. Purpose of Travel to Canada (See Tables 17, 18, 19, 27 and 28)

- There has been an increase in travel by Japanese to Canada for pleasure or vacation, increasing from 58% of all travelers to Canada in 1995 to 69% in 2000. Visiting friends and relatives has also increased. This increase in the pleasure travel market may be the result of the rebound of the economy and the increased maturity of the market.

- The potential pleasure travel market to Canada from Japan is 15.9 million. This is based on 61% of the long haul market being very or somewhat interested in visiting Canada within the next five years. The actual number of Japanese visitors to Canada represents only 3.2% of that potential.

- Travel for combined business and pleasure has decreased from 15% in 1995 to 6% in 2000, reflecting the changing economic climate.

- Overnight travel from Japan to Canada increased by 6.8% in 1999 to 516,100 trips. Much of this increase came as a result of special government spending initiatives and improved consumer confidence.

- In 1999, Canada's share of the long haul Japanese market increased to 5.8% compared to 5.4% in 1998.

- Preliminary statistics for the period January to July 2000 show that there were 255,900 visitors to Canada from Japan, down by 2% from the same period in 1999 (261,300).

- Vancouver (75%), Banff (48%), and Niagara Falls (48%) were the three most frequently visited cities in Canada. Vancouver remains the most frequently visited city in Canada, likely reflecting the location of Vancouver as a major arrival point in Canada.

- When participants in the 2000 survey were asked what areas they would like to visit, 40% who visited Toronto-Ottawa and Niagara Falls would also like to visit Banff-Rockies. Those visiting Vancouver/Victoria and who would like to visit Banff-Rockies comprised 46% of travelers. Banff-Rockies was mentioned the most frequently as a place Japanese travelers would like to add to their vacation in Canada.

- Niche markets are growing that may benefit Canada, including English study (Canada is safer than the USA for students), skiing and snowboarding, and silver-aged "nurturing" tours (safe and clean).

- Canada's image in Japan is one of "wondrous" nature, but little else. Japanese have limited knowledge of what Canada has to offer and of specific things to see and do here.

- Nature remains the key draw for Japanese visitors, with additional interest in touring and city products. Awareness building regarding outdoors, winter, culture/history, or resorts is required.

- A nature-viewing trip was the type of trip identified most often by Japanese travelers for a future trip to Canada. The nature-viewing trip should include touring, cultural or history related activities, and accommodation at resorts.

III.2.2. Travel Habits and Competition (See Tables 6 and 7)

- More than three quarters of Japanese surveyed in in-flight surveys in 1998 were repeat visitors to Canada. Approximately 37% had visited Canada once before, and 40% had made multiple trips to Canada. If this figure were adjusted for non-response, it is estimated that the percentage would more accurately be 26% having visited Canada before.

- Travelers surveyed in the summer in-flight survey indicated a higher likelihood of repeat visits (77%) than did those in the winter survey (65%).

- The likelihood of visiting Canada again in the next two years was higher for winter visitors (69%) than for summer visitors (41%).

- The majority of respondents indicated that Canada was their only choice of destination (64%), while 31% indicated they had considered such alternatives to Canada as: Europe (56%), Australia/New Zealand (32%), and United States (15%).

- It should be noted that other preferred, shorter-haul destinations, such as Hawaii/Samoa/Guam and Asia, were not identified in the in-flight surveys as competing destinations for Canada.

- Respondents to the summer in-flight survey indicated they were more likely to stay in luxury accommodation in Canada (55%) than were winter respondents (29%).

- Canada ranked 10th in both the 1995 and 2000 Japan Consumer surveys as a long haul destination for pleasure trips. Canada's major competitors for the Japanese long haul pleasure travel market are the United States (including Hawaii), Europe, Australia and South East Asia.

- This ranking differs slightly from the Japan Ministry of Justice statistics that show that Canada dropped from 10th position in 1999. Regardless of the ranking, the number of visitors to Canada from Japan has increased.

III.2.3. Length of Stay/Expenditures in Canada (See Tables 20 and 21)

- Both the number of long haul trips and the length of stay on trips to Canada decreased in 2000 compared to 1995. In 1995, 27% of trips to Canada were for stays of 4 to 7 nights compared to 47% of trips in 2000. Trips with a duration of 8 to 14 nights decreased from 62% of travelers in 1995 to 41% in 2000.

- The average number of nights spent away from home on trips to Canada decreased from 12.6 nights in 1995 to 10.4 nights in 2000.

- Travelers responding to the 1996 in-flight survey indicated they spent an average of 10.4 nights away during summer trips and 9.5 nights on winter trips. Summer travelers tended to have shorter stays in a variety of destinations, while winter travelers have longer stays in one destination.

- Mean per party expenditures on trips to Canada have dropped by 26% between 1995 and 2000.

- Japanese spent less per person per day on their trip to Canada in 2000 than in 1995, dropping by 17%, even though they spent more in total on the trip. This reflects longer stays of 10.4 nights for Canada vs 8.6 nights overall. This is a larger decrease in expenditures than that on average trips by Japanese (9.1%).

- Canada suffers from poor price-value perceptions in Japan, being perceived as a very expensive, high-end destination. However, based on the experiences of visitors in 1995, Canada ranked highly in terms of good value for the trip (e.g., rating of 8.9 out of 10, compared to 8.5 for all trips).

III.2.4. Trip Planning/Packages to Canada (See Tables 22, 23, 24, 25, 26 and 27)

- Use of package trips by Japanese travelers to Canada has increased from 61% in 1995 to 64% in 2000. This is slightly less than the 68% of Japanese who use packages to all destinations.

- Canada may be viewed as expensive compared to other destinations because of the more comprehensive, fully organized packages that are available. To compensate for this, more skeleton type packages should be considered to lower initial purchase costs.

- Japanese travelers to Canada tend to use brochures/pamphlets (50%), talk to travel agents/tour companies (40%), use guides/books (30%), and talk to family/friends (28%) when planning their trip. These proportions are generally higher than for other Japanese long haul travel. The proportions are similar to the 1995 results, indicating that travel planning methods have not changed significantly.

- More Japanese travelers to Canada book their trip through travel agents than do travelers to long haul destinations in general (79% vs 74%).

- The average time in advance that a trip to Canada is booked is slightly less than that for long haul trips in general (2.3 months versus 2.5 months). This shorter trip planning time may be the result of a more mature travel market to Canada and a greater familiarity than long haul destinations in general.

- The majority of Japanese travelers to Canada (70%) would pre-purchase at least one component of their trip ahead of time. Comprehensive travel packages, including air and accommodation, are the most popular type of packages that would be purchased prior to leaving home.

- The 1998 in-flight survey indicated that 78% of travelers surveyed had purchased other land components in conjunction with their airfare prior to leaving Japan (e.g., accommodation).

IV. ISSUES/BARRIERS TO TRAVEL TO ALBERTA FROM JAPAN

IV.1. Image of Alberta/Canada

- The image of Canada and Alberta in Japan is one of "wondrous nature", but little else. Japanese have limited knowledge of what Canada has to offer and of specific things to see and do. Alberta is known primarily as a destination for touring trips that combine mountain and countryside resorts (Banff), and sports (ski or golf vacations).

- Nature is the key draw for Japanese, with additional interest in touring and city products. Awareness building regarding outdoors, winter, culture/history, or resorts is required.

- Canada and Alberta are perceived as having a limited travel season, with limited man-made attractions and big cities. Other weaknesses include shopping, restaurants and high costs.

- Canada is not perceived as being distinct from the United States. Differentiation is required.

IV.2. Price Sensitivity

- Canada suffers from poor price-value perceptions in Japan. It is considered to be a very expensive, high-end destination, although it is perceived to have good value, particularly in relation to safety, cleanliness, and scenery.

- Canada may be viewed as expensive compared to other destinations because of the more comprehensive, fully organized packages that are available. To compensate for this, some skeleton packages should be considered to lower initial purchase costs.

IV.3. Air Access

- There is currently no non-stop or direct scheduled or charter service between Japan and either Calgary or Edmonton, although there has been in the past. Schedules vary throughout the year, and may change depending on demand. Direct flights are defined as those wherein the passenger stays on the same airplane from their departure point to their final destination, even though there may be stops at other airports en route.

- Access between Japan and Alberta is via such gateway cities as Vancouver, Los Angeles, or Seattle, using connector flights that are often regional airlines having limited capacity. Connections are available to Alberta from the gateways of most major airlines (e.g., through Frankfurt on Lufthansa, through either Seattle or Minneapolis-St. Paul on Northwest Airlines, through San Francisco or Chicago on United Airlines, etc.).

- A recent study by Tourism British Columbia reported that average airfares paid by leisure travelers from British Columbia to Canadian destinations in 2000 increased by 11 percent. This is not the result of increased domestic fares. Rather it appears to be the result of a reduction in the numbers of seats available at discounted fares. The merger of Air Canada and Canadian Airlines has resulted in a reduction of domestic flights by 24 percent and of capacity by 14 percent.

- The formation of partnerships and alliances has allowed code sharing of flights between airlines. This makes it easier to book connecting flights, and gives the impression to travelers that there is seamless travel between countries. For instance, Air Canada, through the Star Alliance, code shares flights with All Nippon Airways, EVA Airways and United Airlines, all of which provide service between Japan and Alberta, through such gateway cities as Vancouver, Los Angeles, and Seattle.

- The former code share alliance between Japan Airlines and Canadian Airlines (One World) has ended, thus limiting access and connections in the short term. Japan Airlines still makes connecting flights to Alberta through Vancouver on Air Canada.

- Japan Airlines (JAL) and All Nippon Airways (ANA), along with 11 other airlines (e.g., Northwest Airlines, United Airlines, Air New Zealand, Ansett Australia, Qantas, Singapore Airlines), have agreed to establish a holding company that will form a joint-venture online travel company with Travelocity.com. Targeted to be operational by April 2001, this online company will provide consumers in Japan with a broad range of online travel products and services, including the ability to compare flight schedules and fares, seat availability, and buy tickets on line. This will make booking flights to destinations such as Canada much easier for potential Japanese visitors.

IV.4. Competition (See Tables 6 and 7)

- Canada's major competitors for the Japanese long haul pleasure travel market are the United States, Europe, Australia, and Southeast Asia.

- While Alberta can compete in terms of natural scenic attractions, it is at a disadvantage in terms of the desire for Japanese to visit places with natural scenery and good beaches, as well as cities rich in historical spots and modern culture.

- Research has suggested that age and gender seem to be related to destination choice, with middle aged and seniors favouring Asian countries, Office Ladies and housewives opting for the beaches of Hawaii, Guam and Indonesia, senior couples choosing Europe, and honeymooners favouring Australia and New Zealand.

IV.5. Availability of Travel Information in Japanese Language

- Japanese travelers to Canada tend to use brochures/pamphlets (50%) when planning their trip. This reinforces the need to have good information and brochures available about Alberta and Canada in the Japanese language.

- Alberta currently produces the Alberta Lure brochure in Japanese.

- A recent review of skiing brochures, focussing primarily on Whistler but also identifying a few brochures with Alberta ski information, noted that, while the brochures were available in Japanese, they did not show many pictures of Japanese skiers. Most images of skiers were non-Japanese and white. Other brochures displayed scenery only, or very generic skiing. The point was raised that brochures help to create expectations of what the experience will be at the destination. The literature could do a much better job of creating a desirable image for Japanese visitors to Canada and Alberta.

V STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT) ANALYSIS

V.1. Strengths

- Alberta is known for the scenic and natural beauty of the Rocky Mountains, with particular emphasis on mountain and resort tours of Banff and sporting trips such as skiing and golf.
- Nature remains the key draw for Japanese visitors, with additional interest in touring and city products. Awareness building regarding outdoors, winter, culture/history, or resorts is required.
- The Japan Travel Bureau (JTB Canada) website provides information in Japanese relative to Canadian destinations, organized by province, ski resorts, and optional summer and winter tours.
- Safety and security, good travel infrastructure, culture and heritage products, shopping, and escorted and flexible tours in Japanese are identified as important components of the tourism experience. These are available in Alberta, however, better information about what is available here, and how it is different from the United States is necessary.

V.2. Weaknesses

- There is limited awareness of the availability of outdoor activities, sporting holidays, winter activities, cultural and historical attractions, and resorts that are available in Canada. The perception is that there is a limited travel season, as well as a lack of man-made attractions, big cities, and shopping.
- Canada and Alberta are perceived as being expensive and high-end destinations, but offering good value.
- Canada is not perceived as being very different from the United States.
- There are air routing and capacity problems in terms of bringing visitors from Japan to Alberta. There are no non-stop or direct flights between Japan and Alberta, meaning visitors must make connections through such locations as Vancouver or Los Angeles. The number of direct flights between Calgary and Edmonton and these gateway cities are limited, and many of the connector flights are on small, regional airlines with limited capacity, particularly at discounted fares.
- In addition, as a result of the merger of Air Canada and Canadian Airlines, it has been difficult for potential visitors to find out about flight connections and routings within Canada.
- Japanese tend to take short holidays, providing very limited time for travel to more than one destination within Canada on any one trip.

V.3. Opportunities

- There is an increase by Japanese tourists in special interest tourism activities, outdoor experiences, and ecotourism vacations.
- Niche markets are developing in Japan in areas such as English study (Canada is perceived as being safer than the USA for students), skiing and snowboarding, and silver-aged nurturing tours (safe and clean).
- Japanese travelers for Aboriginal tourism are seeking opportunities to learn in a safe environment at scenic destinations with high quality natural and cultural features.

- While the majority of Japanese still travel with pre-packaged tours, there is an opportunity to develop more skeleton packages that are available at a reduced rate to encourage price conscious travelers to visit Alberta.

- Seniors and other travelers from Japan demonstrate a more active participation rate than they did in the 1980's and this will likely continue to change. Opportunities exist to better define what activities will appeal to seniors, and to develop packages appropriate to their desires.

- Research has shown that Japanese are more strongly influenced by food services when choosing a destination than are Americans or Canadians. They are reluctant to try new cuisine, but prefer higher end restaurants. This provides an opportunity for showcasing and promoting Alberta's award winning chefs and cuisine.

- The recently announced development of a coordinated "Travelocity" type website by Japan Airlines, North West Airlines, and others, provides an opportunity for advertising on the site.

- There is an opportunity for Air Canada to become on partner on this website to provide better information on, and to be better positioned for, travel within and to Canada.

V.4. Threats

- Japanese travelers are still high spenders, however, they are becoming more price conscious and are purchasing fewer premium tour packages.

- Length of stay by Japanese travelers to long haul destinations has been decreasing, as has the amount of money they spend per person, per day.

- The slow economic recovery means that, while there is strong interest in visiting Alberta over the next 5 years, there is also concern about spending money for travel at this time and value for money.

- Reduced domestic air capacity in Canada is severely limiting access to destinations in Canada.

- The ski market in Japan has declined dramatically.

- There are aggressive marketing campaigns from other countries, such as Australia. In addition, low priced packages to other destinations (both long and short haul) provide attractive alternatives to Canada.

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TOURISM MARKET PROFILE

JAPAN

PART II: GRAPHS AND TABLES

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SOCIO-ECONOMIC DATA

Graph 1
Exchange Rates
(Yen per US Dollar)

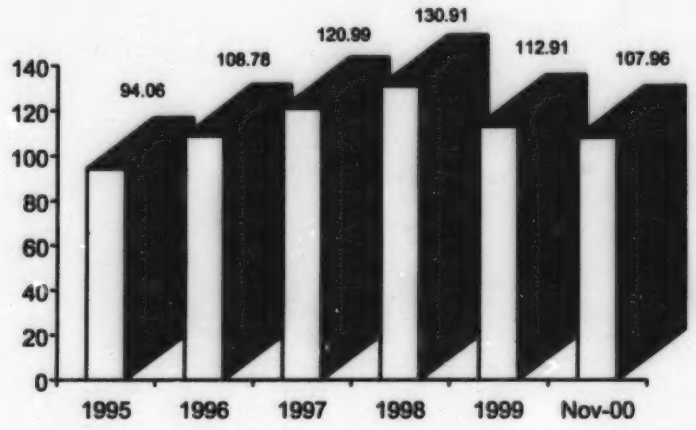

Table 1
Economic Indicators

Indicators	1995	1996	1997	1998	1999	2000	2001
Real GDP (% Increase)	1.5	5.1	1.4	(-2.8)	1.4	1.4	1.2
Real Private Consumption (% Change)	2.1	2.9	1.0	(-1.1)	1.7	1.6	1.8
Labour Force Participation Rate (%)	76.4	77.0	78.0	78.1	78.1	78.4	78.9
Unemployment rate (%)	3.1	3.4	3.4	4.1	4.7	4.7	4.7
Household Savings Rate (%)	13.7	13.4	12.6	13.5	12.1	12.2	12.5

Source: OECD Economic Outlook, December 1999

Comment: In terms of real GDP, the Japanese economy slowed between 1996 and 1998. Since then, it has shown moderate growth. Private consumption has followed the same trend as the economy. Labour force participation rate is expected to consistently grown from 1995 to 2001. Unemployment remains low through out the 1990's and into 2001.

TRAVEL TRENDS

Table 2
Long Haul Outbound Travel from Japan, 1995 – 1999

	1995	1996	1997	1998	1999
Long Haul International Outbound Trips ('000)	8,445	9,186	9,571	8,993	8,891
Year-to-Year Change (%)	-	8.8	4.2	(-6.0)	(-1.1)
Overnight Trips to Canada ('000)	589.3	647.7	565.9	484.0	516.1
Year-to-Year Change (%)	-	9.9	(-12.6)	(-14.4)	6.7
Canada's Market Share (%)	7.0	7.0	5.9	5.4	5.8
Canada's Receipts ($M)	661.4	689.7	643.2	519.7	571.8
Year-to-Year Change (%)	-	4.3	(-6.7)	(-19.2)	10.0

Source: Canadian Tourism Commission, Strategic Plan 2001-2002

Comment: The number of Japanese long haul travellers decreased by 1.1% n 1999. Overnight trips to Canada grew by 6.7% to 516,100, resulting in Canada's market share increasing slightly from 5.49% in 1998 to 5.8% in 1999. Spending in Canada began to rebound, reaching $571.8 million in 1999."

Table 3
Forecast of Visitation by Japanese Travelers to Canada 2000 - 2002

	2000	2001	2002
Person-trips (yearly change)	516,000 (0.0)	526,300 (2.0%)	547,400 (4.0%)
Receipts (yearly change)	$594.7M (4.0%)	$627.7M (5.5%)	$668.5M (6.5%)

Source: Canadian Tourism Commission, Strategic Plan 2001-2002.

Comment: Travel to Canada is expected to continue to grow through 2002 to 547,400 travelers spending $668.5 million.

Table 4
Incidence Rates For Long Haul Pleasure Travel & Potential Market Size

	2000 Consumer Study	1995 PTMS Study
Population		
Total Japanese Population	125,860,000	123,611,000
Total Japanese Adult Population (18 years or older)	102,466,000	94,794,000
Incidence Rates	%	%
Pleasure Travelers to Canada (past 3 years)	1.6	1.7
Pleasure Travelers to Other Long haul Destinations (past 3 years)	19.6	18.3
Planners (next 2 years)	4.3	6.1
Total Long haul Pleasure Travel Incidence	***25.5***	***26.1***
Potential Market Size		
Total Adult Long haul Pleasure Travelers	26,128,000	24,779,000

Source: Canadian Tourism Commission, "Japan Consumer Research 2000"

Comment: Although the incidence rate for travel to Canada by Japanese residents declined between 1995 and 2000, the increase in the population of Japan resulted in a larger potential market for Canada.

TRAVEL TRENDS

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Overnight Trips to Canada ('000)	589.3	647.7	565.9	484.0	516.1
Year-to-Year Change (%)	-	9.9	(-12.6)	(-14.4)	6.7
Canada's Market Share (%)	7.0	7.0	5.9	5.4	5.8
Canada's Receipts ($M)	661.4	689.7	643.2	519.7	571.8
Year-to-Year Change (%)	-	4.3	(-6.7)	(-19.2)	10.0

Source: Canadian Tourism Commission, Strategic Plan 2001-2002

Comment: The number of Japanese long haul travellers decreased by 1.1% n 1999. Overnight trips to Canada grew by 6.7% to 516,100, resulting in Canada's market share increasing slightly from 5.49% in 1998 to 5.8% in 1999. Spending in Canada began to rebound, reaching $571.8 million in 1999."

Table 3
Forecast of Visitation by Japanese Travelers to Canada 2000 - 2002

	2000	2001	2002
Person-trips (yearly change)	516,000 (0.0)	526,300 (2.0%)	547,400 (4.0%)
Receipts (yearly change)	$594.7M (4.0%)	$627.7M (5.5%)	$668.5M (6.5%)

Source: Canadian Tourism Commission, Strategic Plan 2001-2002.

Comment: Travel to Canada is expected to continue to grow through 2002 to 547,400 travelers spending $668.5 million.

Table 4
Incidence Rates For Long Haul Pleasure Travel & Potential Market Size

	2000 Consumer Study	1995 PTMS Study
Population		
Total Japanese Population	125,860,000	123,611,000
Total Japanese Adult Population (18 years or older)	102,466,000	94,794,000
Incidence Rates	%	%
Pleasure Travelers to Canada (past 3 years)	1.6	1.7
Pleasure Travelers to Other Long haul Destinations (past 3 years)	19.6	18.3
Planners (next 2 years)	4.3	6.1
Potential Market Size		
Total Adult Long haul Pleasure Travelers	26,128,000	24,779,000

Source: Canadian Tourism Commission, "Japan Consumer Research 2000"

Comment: Although the incidence rate for travel to Canada by Japanese residents declined between 1995 and 2000, the increase in the population of Japan resulted in a larger potential market for Canada.

Table 5
Main Purpose of Most Recent Trip Taken by Japanese Long Haul Pleasure Travelers - 1995 vs. 2000

Purpose	2000 Consumer Study – (n=639) (%)	1995 PTMS Study – (n=1,001) (%)
For pleasure or vacation	71	55
To visit friends and relatives	11	8
To combine business and pleasure	6	15
A honeymoon	4	7
To study abroad	3	2
Company-paid vacation	2	6

Source: Canadian Tourism Commission, "Japan Consumer Research 2000"

Comment: There has been an increase in travel by Japanese for pleasure or vacation between 1995 and 2000. Visiting friends and relatives has also increased, while traveling for business and pleasure has decreased from 15% in 1995 to 6% in 2000. The increase in travel for pleasure may be the result of the rebound of the economy and the increased maturity of the market. The decrease in travel for combined business and pleasure may be the result of the downturn in the economy.

Table 6
Destinations Visited on Most Recent Long Haul Pleasure Trip – 1995 vs. 2000

Destinations Visited on Most Recent Trip	2000 Consumer Study (n=715) (%)	1995 PTMS Study (n=907) (%)
U.S. (Including Hawaii & Guam)	38	40
Other Europe	30	16
Australia	9	9
Singapore/Malaysia/Philippines	7	7
Other Asia	7	6
Canada	7	5
United Kingdom	8	5
Hong Kong	4	5
China (PRC)	5	4
Thailand	4	3
South Korea	2	2
Taiwan (ROC)	2	2
New Zealand	3	2

Note: Percentages may sum to more than 100% due to multiple responses.
Source: Canadian Tourism Commission, "Japan Consumer Research 2000"

Comment: Based on the survey results from 1995 and 2000, Canada ranks in 10th position as a long haul pleasure trip destination, with 5% and 7% of the responses, respectively. While ranking may not have changed since 1995, real numbers have increased. This statistic varies somewhat from the information provided by the Japan Ministry of Justice relative to ranking of destinations for outbound travel presented in Table 7 below.

Table 7
Number of Japanese Outbound Travelers to Specific Destinations (1996 – 1999)

Country	1996	Rank in 1996	1997	Rank in 1997	1998	Rank in 1998	1999	Rank in 1999
NORTH AMERICA	4,859		5,049		4,636			
United States (000's)	4,505	1	4,677	1	4,285	1	4,841	1
Canada	366	10	382	10	364	10		
Canada (from Statistics Canada; differences in real numbers)	648		586		484		516	
ASIA	5,866		5,534					
Korea	1,196	3	1,362	2	1,666	2	2,106	2
China	606	7	633	5	634	5	1,227	3
Thailand	548	8	581	7	643	4	823	4
Taiwan	627	5	596	6	530	6	763	5
Hong Kong	1,316	2	706	4	455	7	685	6
Singapore	614	6	586	8	437	9	548	8
OCEANIA	1,316		1,322		1,205			
Australia	714	4	716	3	667	3	684	7
New Zealand	136	14	135	14	127	14		
EUROPE	1,813		1,741		1,764			
Italy	431	9	460	9	444	9	446	9
United Kingdom	289	11	289	11	285	12	383	10
Germany	167	13	178	13	179	13		
France	245	12	286	12	302	11		

Source: Ministry of Justice, Annual Report of Statistics on Legal Migrants, 1999 and 2000

Comment: Canada ranked 10th in terms of outbound travel from Japan between 1996 and 1999.

Table 8
Number of Nights Away From Home on Most Recent Long Haul Pleasure Trip – 1995 vs. 2000

Number of Nights Away	2000 Consumer Study (n=638, mean =6.5 nights) (%)	1995 PTMS Study (n=994, mean =10.3 nights) (%)
4 to 7 nights	63	47
8 to 14 nights	27	42
15 to 28 nights	6	7
29 nights or more	4	4

Source: Canadian Tourism Commission, "Japan Consumer Research 2000"

Comment: A significantly higher proportion of travelers are spending fewer nights away from home on their trip in 2000 compared to 1995 (63% spent 4 to 7 nights in 2000 compared to 47% in 1995). This was at the expense of trips that were 8 to 14 nights in duration. Trips over 15 nights away from home remained relatively constant between 1995 and 2000.

Table 9
Use of packages on Most Recent Long Haul Pleasure Trip – 1995 vs. 2000

	2000 Consumer Study (n=619) (%)	1995 PTMS Study (n=1,691) (%)
Yes	68	68
No	32	32

Note: Package use defined as purchasing accommodation or other land with flight before leaving Japan.
Source: Canadian Tourism Commission, "Japan Consumer Research 2000"

Comment: The use of travel packages by Japanese remained constant between 1995 and 2000.

Table 10
Average Per Party, Per Person, and Per Person Per Day Expenditures on Most Recent Long Haul Pleasure Trip – 1995 vs. 2000

	2000 Consumer Study (n=600) (In Yen)	1995 PTMS Study (n=603) (In Yen)
Mean Per Party Expenditures	486,600	633,300
Mean Per Person Expenditures	311,300	406,200
Mean Per Person Per Day Expenditures (Including Airfare)	43,600	47,100

Note: Per person and per person per day expenditures were calculated on an individual basis and then averaged over all respondents. Per person per day expenditures include airfare because airfare was not broken out from total trip expenditures in this study
Source: Canadian Tourism Commission, "Japan Consumer Research 2000"

Comment: Mean per party, per person, and per day expenditures are lower in 2000 than in 1995. Japanese long haul travelers are spending less on travel in 2000 than in 1995 regardless of the number of nights spent away from home, possibly as a result of their economy.

Table 11
Importance of Value-Related Attributes in Selecting An Overseas Holiday Destination

Value-Related Attribute	%
Safe and clean environment	70
See something new and different	66
Experience a different culture	65
Good service and friendly people	62
Nice scenery	62
Good food	54
Variety of things to see and do	53
High quality accommodation	52
Opportunities to enrich your knowledge	49
Have fun and be entertained	34
Good shopping opportunities	31
Opportunity to indulge in luxury	25
Availability of all-inclusive packages	24

Note: An important attribute was defined as one for which respondents would be willing to pay a little more to go to a destination that offered it.
Source: CTC, "Japan Consumer Research 2000"

Comment: Having a safe and clean environment was the most important attribute a destination could have in the minds of the Japanese long haul traveler (70%). This was followed by: see something new and different (66%), experience a different culture (65%), good service and friendly people (62%), and nice scenery (62%).

Table 12
Importance of Price-Related Attributes in Selecting An Overseas Holiday Destination

Price-Related Attribute	%
Good prices for accommodation	63
Good prices for shopping	56
Good prices for food and entertainment	52
Inexpensive airfare to the destination	47
Inexpensive transportation within the destination	42
Inexpensive packages to your destination	35
Favorable exchange rate	33

Source: CTC, "Japan Consumer Research 2000"

Comment: Price related attributes included: good prices for accommodation (63%), good prices for shopping (56%), and good prices for food and entertainment (52%). These attributes demonstrate the prices sensitivity of the Japanese long haul traveler.

Table 13
Demographics of Long Haul Travelers

	2000 Consumer Study (n=615) (%)	1995 PTMS Study (n=1,200) (%)
Gender		
Male	42	55
Female	58	45
Age		
18 to 24	18	17
25 to 34	22	25
25 to 44	13	20
45 to 64	40	35
65 or older	8	3
Education		
High school	33	40
Technical or vocational school	8	12
Junior college	16	11
College or university	43	36
Marital status		
Single	31	31
Married/living together	67	69
Separated/widowed/divorced	2	1
Close friends or relatives living in Canada		
Yes	11	13
Occupation		
University/College student	12	11
White-collar worker	18	21
Blue-collar worker	10	5
Administrator/manager	4	13
Specialist/freelancer	6	12
Self-employed	6	8
Non-working housewife/retired/unemployed	36	21
Other	8	9
Annual household income		
Less than 3 million Yen	5	7
3.0 to 4.9 million Yen	9	14
5.0 to 6.9 million Yen	18	19
7.0 to 9.9 million Yen	21	26
10.0 to 11.9 million Yen	21	12
12.0 to 14.9 million Yen	11	10
15.0 million Yen or over	14	12

Source: CTC, "Japan Consumer Research 2000"

Comment: Long haul travelers tend to be female (58%), between the ages of 45 and 64 (40%), have college or university education (43%), and earn 7 to 11.9 million Yen/year. These demographics have changed since the 1995 survey, when travelers tended to be male (55%), between the ages of 45 and 64 (35%), were either high school (40%) educated or college/university educated (36%), and earned 5 to 9.9 million Yen/year (26%).

Table 14
Comparative Profile: Demographics (Percent)

	Office Ladies[1] (18 to 44) (%)	Middle Aged (45 to 59) (%)	Seniors[1] (60+) (%)	Full Moon Couples[1] (45+) (%)	Students (%)
Gender					
Male	0	34	48	53	52
Female	100	66	52	47	48
Age					
18 to 29	79	-	-	-	100
30 to 44	21	-	-	-	-
45 to 59	-	100	-	40	-
60+	-	-	100	60	-
Marital Status					
Single	100	11	2	-	98
Married/living together	-	86	89	100	2
Separated/divorced/widowed	-	3	9	-	0
Highest Level of Education					
College or university	36	33	32	39	82
Annual Household Income					
Less than 3 million Yen	22	1	16	0	38
3.0 to 6.9 million Yen	40	14	25	20	0
7.0 to 11.9 million Yen	14	48	38	47	32
12.0 million Yen or over	24	37	21	33	30
Occupation					
Student	-	0	0	0	100
Employed	100	46	28	34	-
Housewife, not working outside home	-	41	41	39	-
Unemployed/retired	-	4	26	21	-

[1]Results should be interpreted with caution due to the small sample size.
Source: CTC, "Japan Consumer Research 2000"

Comment: The Japanese long haul market can be divided into five segments; office ladies, middle- aged, seniors, full moon couples and students. Each segment has its own distinctive demographic profile. There is also the honeymoon segment, however, the sample size from this study was too small to provide detailed information.

Table 15
Comparative Profile: Long Haul Pleasure Trip Characteristics

	Office Ladies[1] (18 to 44) (%)	Middle Aged (45 to 59) (%)	Seniors[1] (60+) (%)	Full Moon Couples[1] (45+) (%)	Students (%)
Destinations Visited on Most Recent Long haul Trip (Percent)					
Mainland U.S.	13	17	8	13	33
Hawaii	13	17	14	16	6
Australia	6	8	9	9	9
France	8	9	7	16	9
Italy	12	6	9	21	2
United Kingdom	5	9	6	14	8
Other Europe	3	8	18	12	4
Visited Canada on Most Recent Trip					
Yes	4	6%	6%	7%	6%
Main Purpose of Most Recent Trip					
To visit friends and relatives	18	14%	10%	12%	10%
For pleasure or vacation	79	72%	81%	78%	63%
To study abroad	0	0%	0%	0%	18%
Other	2	14%	9%	10%	9%
Number of Nights Away From Home on Most Recent Trip					
Mean number of nights	8.3	7.6	8.8	7.7	13.6
Travel party Composition	%	%	%	%	%
Traveled alone	10	15	14	-	23
Wife/Husband/Girl or Boy Friend	5	22	17	100	5
Children	0	25	20	-	0
Friends	50	29	34	-	39
Average total Trip Expenditures (Yen)					
Mean expenditures (000s) per party	Y290.1	Y545.8	Y471.8	Y656.8	Y286.1
Mean expenditures (000s) per person	Y228.3	Y374.0	Y339.9	Y367.2	Y273.3
Used a Package on Most Recent Trip	%	%	%	%	%
Yes	61	74	75	78	52
Destination Decision Maker for Most Recent Trip					
Myself	54	40	36	44	48
Wife/Husband/Girl or Boy Friend	7	11	4	57	3
Children	0	10	16	1	0
Friends	29	20	17	0	24
Travel agent	5	4	6	3	2
Top Information Sources Used for Planning Most Recent Trip					
Brochures/pamphlets	63	55	45	51	32
Travel agent	23	50	53	44	27
Friends/family members	36	28	33	26	29
Travel guides	37	20	13	21	29
Booking Horizon					
Mean # of months booked prior	1.5	2.2	3.0	3.1	2.5
Where Most Recent Trip was Booked					
Travel agent	75	77	78	77	54
Discount air ticket supplier	22	9	6	5	26
Directly with airline	0	6	4	10	4
Directly with the destination	2	5	4	6	2
Used Internet to Book Most Recent Trip					
Yes	5	3	7	1	8

[1]Results should be interpreted with caution due to the small sample size.
Source: CTC, "Japan Consumer Research 2000"

Comment: The United States remains the most popular destination for outbound Japanese travelers, with traveling for vacation or pleasure as the main purpose of trip.

Table 16
Attitudes Towards Overseas Travel (Percent)

	Office Ladies[1] (18 to 44) (%)	Middle Aged (45 to 59) (%)	Seniors[1] (60+) (%)	Full Moon Couples[1] (45+) (%)	Students (%)
Attitudes Towards Overseas Travel (% somewhat + strongly agree)					
Overseas travel is a high priority for my leisure time	94	77	77	77	82
I take fewer overseas trips now than I used to	25	31	28	32	14
I am waiting until the economy improves before I take an overseas holiday	81	71	56	74	79
Money spent on overseas travel is money well spent	77	62	78	68	84
I am waiting for the exchange rate to improve before I take an overseas holiday	61	66	64	64	67
Likelihood of Using Packages on Future Trip to Canada					
% Somewhat + Very Likely	69	80	71	66	54
Region in Canada Most Likely to Visit on Future Trip					
Vancouver-Victoria	24	19	19	16	26
Banff-Rockies	12	24	30	16	6
Toronto-Ottawa-Niagara Falls	31	33	42	31	41
Montreal-Quebec	8	10	6	15	14
Atlantic Canada	16	6	2	8	12
Northern Canada	9	6	0	14	2
Trip Type Most Likely to Take to Canada					
A city trip	1	11	10	17	12
A touring trip	17	24	37	19	35
A nature viewing trip	64	48	38	45	34
A trip to enjoy outdoor activities	0	7	0	7	10
A mountain or country resort trip	1	6	2	5	2
A culture or history trip	4	2	12	6	6
A winter sports trip	12	3	0	0	2

[1]Results should be interpreted with caution due to the small sample size.
Source: CTC, "Japan Consumer Research 2000"

Comment: The middle-aged segment is the most likely to use a package on future trips to Canada followed by the Seniors segment and the Office Ladies. The Seniors segment was the most likely to visit Banff or the Rockies on future trips. Nature viewing trips are the most likely trip type to be taken by Japanese travelers to Canada.

Table 17
Top Destinations in Canada for Japanese Pleasure Travel

Destinations Visited on Most Recent Trip to Canada	2000 Consumer Study (n=209) (%)	1995 PTMS Study (n=353) (%)
Vancouver	75	56
Banff	48	40
Niagara Falls	48	34
Victoria	46	14
Toronto	43	22
Rockies	37	N/A
Calgary	29	17
Whistler	18	N/A
Montreal	14	12
Quebec City	14	7
Ottawa	11	2
Anne of Green Gables (PEI)	2	1

Note: The 1995 results are not directly comparable to the 2000 figures. In the 2000 study, respondents were read a list of key Canadian destinations; in the 1995 study, answers were top-of-mind responses to an open-ended question. This accounts for the higher mentions in 2000.
Source: CTC, "Japan Consumer Research 2000"

Comment: Vancouver (75%), Banff (48%), and Niagara Falls (48%) were the three most frequently visited cities in Canada. Vancouver remains the most frequently visited city in Canada, likely a reflection of Vancouver being a major arrival point in Canada.

Table 18
Size of the Potential Market to Canada

	Office Ladies[1] (18 to 44)	Middle Aged (45 to 59)	Seniors[1] (60+)	Full Moon Couples[1] (45+)	Students
Sample Size					
(n=)	n=80	n=222	n=89	n=85	N=103
Percentage of Long haul Pleasure Travel Market					
% of market	7.2	25.2	11.5	11.8	11.3
Interest in Visiting Canada in the Next Five Years					
% very interested	12	31	29	25	17
% somewhat + very interested	63	67	66	58	58
Size of the Potential Market to Canada[2]					
Potential travelers to Canada (000s) based on % very interested	1,185	4,411	1,983	1,788	1,712

Notes:
[1]Results should be interpreted with caution due to the small sample size.
[2]Potential market size (number of travelers) was calculated as 26,128,000 Japanese long haul pleasure travelers multiplied by the percent in that segment, multiplied by the percent of that segment interested in visiting Canada in the next five years.
Source: CTC, "Japan Consumer Research 2000"

Comment: The middle-aged and Seniors segments have the greatest potential for travel to Canada.

Table 19
Main Purpose of Most Recent Trip Taken by Japanese Pleasure Travelers to Canada – 1995 vs. 2000

Main Purpose	2000 Consumer Study (n=207) (%)	1995 PTMS Study (n=300) (%)
For pleasure or vacation	69	58
To visit friend and relatives	16	10
To combine business and pleasure	6	14
To study abroad	4	3
A honeymoon	2	6
Company-paid vacation	2	1

Source: CTC, "Japan Consumer Research 2000"

Comment: The majority of trips taken to Canada are for pleasure or vacation. In 1995, these trips represented 58% of all travelers compared to 69% in 2000. The proportion of travelers visiting Canada for business and pleasure decreased from 14% in 1995 to 6% in 2000. The decrease in business and pleasure travel to Canada in 2000 is likely the result of the downturn in the Japanese economy.

Table 20
Number of Nights Away From Home on Most Recent Pleasure Trip to Canada – 1995 vs. 2000

Nights Away From Home	2000 Consumer Study (n=207, mean=10.4 nights) (%)	1995 PTMS Study (n=296, mean=12.6 nights) (%)
4 to 7 nights	47	27
8 to 14 nights	41	62
15 to 28 nights	6	6
29 nights or more	6	5

Source: CTC, "Japan Consumer Research 2000"

Comment: Japanese took shorter trips away from home in 2000 than in 1995. As with the number of long haul trips in general, the number of nights away from home on trips to Canada decreased in 2000 compared to 1995. In 1995, those trips to Canada where the number of nights away from home was 4 to 7 accounted for 27% of travelers, compared to 47% in 2000. Those travelers spending 8 to 14 nights away from home dropped from 62% of travelers in 1995 to 41% in 2000. The average number of nights spent away from home on trips to Canada decreased from 12.6 nights in 1995 to 10.4 nights in 2000.

Table 21
Average Per Party, Per Person, and Per Person Per Day Expenditures on Most Recent Pleasure Trip to Canada – 1995 vs. 2000 (in Yen)

	2000 Consumer Study (n=187)	1995 PTMS Study (n=274)
Mean Per Party Expenditures	513,900	696,000
Mean Per Person Expenditures	329,900	476,200
Mean Per Person Per Day Expenditures (Including Airfare)	39,900	48,100

Note: Per person and per person per day expenditures were calculated on an individual basis and then averaged over all respondents. Per person per day expenditures include airfare because airfare was not broken out from total trip expenditures in this study
Source: CTC, "Japan Consumer Research 2000"

Comment: Japanese spent less per person per day on their trip to Canada in 2000 than in 1995. The decrease in expenditures was greater for trips to Canada (-17.0%) than for long haul trips in general (-9.1%).

Table 22
Use of packages on Most Recent Pleasure Trip to Canada – 1995 vs. 2000

	2000 Consumer Study (n=207) (%)	1995 PTMS Study (n=300) (%)
Yes	64	61
No	36	39

Note: Package defined as purchasing accommodation or land with the flight before leaving Japan.
Source: CTC, "Japan Consumer Research 2000"

Comment: Japanese travelers to Canada tend to take package trips, increasing 3% since 1995.

Table 23
Sources of Information Used for Planning Most Recent Long Haul Pleasure Trip – Canada vs. All Destinations (Percent)

Three Most Important Sources of Information Used	2000 Consumer Study (n=603) (%)	1995 PTMS Study (n=1,000) (%)	Most Recent Trip to All Destinations (n=608) (%)	Most Recent Trip to Canada (n=203) (%)
Picked up brochures/pamphlets	50	52	50	60
Talked to a travel agent/tour company	40	40	40	44
Talked to friends/family	28	33	28	33
Travel guides (e.g., Chikyu no 'Arukikata)	30	22	26	40
AB-ROAD/travel magazines	-	-	9	9
Read articles/features in other magazines	17	19	6	2
Internet/website	5	N/A	5	7
Books/Library	-	N/A	5	6
Newspaper advertisements	10	4	6	3
Airline	4	13	4	4
Magazine advertisements	N/A	N/A	4	0
Business colleagues	3	10	3	4
Read articles/features in newspapers	17	19	3	2
Government tourism offices/boards	2	3	2	2
Information received in the mail	N/A	N/A	1	2
Movies or TV shows	N/A	N/A	1	1
Clubs/associations	1	1	1	0

Source: CTC, "Japan Consumer Research 2000"

Comment: Japanese travelers to all destinations in 2000 tend to use brochures/pamphlets (50%), talk to travel agents/tour companies (40%), use guides/books (30%), and talk to family/friends (28%) when planning their trip. These proportions are similar to the 1995 results.

Japanese travelers to Canada in 2000 have a higher tendency to use brochures/pamphlets (60%), talk to agents/tour companies (44%), talk to family/friends (33%), or use travel guides (40%) than Japanese long haul travelers in general.

Table 24
Amount of Time Before Departure When Most Recent Long Haul Pleasure Trip Was Booked – Canada vs. All Destinations (Percent)

Amount of Time Before Departure	2000 Consumer Study (n=606, mean=2.5 months) (%)	1995 PTMS Study (n=975, mean=1.8 months) (%)	Most Recent Trip to All Destinations (n=606, mean=2.5 months) (%)	Most Recent Trip to Canada (n=202, mean=2.3 months) (%)
Less than 1 month	12	17	12	12
1 month	32	36	32	24
2 months	23	21	23	31
3 to 5 months	21	20	21	26
6 to 11 months	8	5	8	6
1 year or more	4	1	4	2

Source: CTC, "Japan Consumer Research 2000"

Comment: The amount of time a long haul trip was booked prior to departure increased on average from 1.8 months in 1995 to 2.5 months in 2000.

The average amount of time a trip to Canada is booked prior to departure is slightly less than long haul trips in general (2.3 months versus 2.5 months). This shorter trip planning time may be the result of a more mature travel market to Canada and a greater familiarity than long haul destinations in general.

Table 25
Where Most Recent Long haul Pleasure Trip Was Booked – Canada vs. All Destinations

Where Trip Was Booked	Most Recent Trip to All Destinations (n=617) (%)	Most Recent Trip to Canada (n=205) (%)
Travel agent	74	79
Discount air ticket supplier	11	9
Directly with the airline	5	6
Directly with the destination	4	4

Source: CTC, "Japan Consumer Research 2000"

Comment: More travelers to Canada use travel agents than do travelers to other long haul destinations.

Table 26
Preferred Package Components for Future Pleasure Trip to Canada

Package Component	Would Purchase in Japan Ahead of Time (n=399) (%)	Would Purchase in Canada Upon Arrival (n=399) (%)
Accommodation in Canada	91	2
Airfare within Canada	91	2
Other transportation within Canada	66	8
A Japanese speaking tour guide	65	16
City sightseeing tours	60	21
Meals	58	32
Airfare to the U.S.	47	10
Two or three day excursions	42	23
Admission tickets to attractions	31	38
A rental car	22	26

Base: Those interested in visiting Canada in next 5 years who are very/somewhat likely to use package.
Source: CTC, "Japan Consumer Research 2000"

Comment: Most Japanese travelers to Canada pre-purchase at least one component of their trip.

Table 27
Destination Packaging - Preferred Destination Combinations

Preferred Destination Combinations	Top Destinations			
	Toronto- Ottawa-Niagara Falls (n=171) (%)	Vancouver-Victoria (n=109) (%)	Banff-Rockies (n=104) (%)	Montreal-Quebec (n=51) (%)
Vancouver-Victoria	41	-	28	18
Banff-Rockies	40	46	-	32
Toronto-Ontario-Niagara Falls	-	46	50	34
Montreal-Quebec	21	28	21	-
Atlantic Canada	17	21	24	34
Northern Canada	11	9	9	8
Other parts of Canada	1	1	3	5

Notes: Shows preferred destination combinations for Japanese. For example, of those who indicated that they were most likely to visit Toronto-Ottawa-Niagara Falls (n=171), 41% would like to visit Vancouver-Victoria on the same trip. Percentages may sum to more than 100% due to multiple responses.
Source: CTC, "Japan Consumer Research 2000"

Comment: When asked what areas they would like to visit, 40% who visited Toronto-Ottawa and Niagara Falls would also like to visit Banff-Rockies. Those visiting Vancouver/Victoria and who would like to visit Banff-Rockies comprised 46% of travelers. Banff-Rockies was mentioned the most frequently as a place Japanese travelers would like to add to their vacation in Canada.

Table 28
Trip Type Most Likely to Take on Future Pleasure Trip to Canada

Trip Type	%
A nature viewing trip	44
A touring trip	25
A city trip	10
A trip to enjoy outdoor activities	7
A winter sports trip	6
A culture or history trip	5
A mountain or country resort trip	4

Base: Those interested in visiting Canada in the next five years.
Source: CTC, "Japan Consumer Research 2000"

Comment: A nature-viewing trip was the type of trip most popular with Japanese travelers for a future trip to Canada.

Table 29
Product Packaging – Preferred Product Combinations

Preferred Activity Combinations	Top Trip Types		
	Nature viewing trip (n=218) (%)	Touring trip (n=134) (%)	City trip (n=52) (%)
City sightseeing	6	6	-
Touring	37	-	24
Nature viewing activities	-	58	50
Outdoor activities	15	11	5
Staying at a resort area	25	18	13
Cultural or history-related activities	26	24	13
Winter sports	9	6	10

Note: Shows preferred product combinations for the Japanese market. For example, of those who indicated that they were most likely to take a nature viewing trip to Canada (n=218), 35% were also interested in touring on this trip.
Source: CTC, "Japan Consumer Research 2000"

Comment: Nature-viewing trips should have touring, cultural or history related activities, and resort accommodation.

Table 30
Visitors to Canada and Alberta 1+ Nights 1995 – 1999

	1995	1996	1997	1998	1999
Overnight Trips to Canada (000s)	589.3	647.7	565.9	484.0	516.1
Year to Year Change (%)	-	9.9	(-12.6)	(-14.4)	6.7
Overnight Trips to Alberta (000s)	159.2	179.5	106.9	116.4	148.3
Year to Year change (%)	37.8	12.8	(-40.4)	8.9	27.4

Source: Canadian Tourism Commission Strategic Plan 2001 – 2001
Statistics Canada, International Travel Survey

Comment: There was a record number of overnight visitors to Alberta from Japan in 1996 (179,500). Both Canada and Alberta saw decreases in travelers from Japan in 1997 (12.6% and 40.4%, respectively). 1998 experienced a decrease in travelers from Japan to Canada (-14.4%), while Alberta experienced an increase (8.91%). In 1999, increases in travelers were 6.7% and 27.4%, respectively

Table 31
Expenditures in Alberta 1994 – 1999
($Millions)

	1994	1995	1996	1997	1998	1999
Expenditures	107.1	133.0	141.9	85.8	79.6	111.6
Percent Change from Previous Year (%)	–	24.2	6.7	(-39.5)	(-7.2)	40.2

Source: International Travel Survey, Statistics Canada

Comment: 1996 was an exceptional year for travel to Alberta by Japanese residents. In 1997/98, travel and related expenditures decreased as a result of the slow down in the Japanese economy and the reduced consumer confidence. As the economy began to recover, travel also rebounded to the levels seen in 1999, and expenditures rose to $111.6 million in 1999.

Table 32
Profile of Japanese Visitors in Alberta
1999

Number of Overnight Visitors	146,000
Expenditures in Alberta	$111.6 million
Nights in Alberta (Percent)	%
1-2	46.1
3-4	40.6
5-9	6.5
10-30	6.7
31+	0
Average Number of Nights in Alberta	3.6
	%
Entry into Canada via Canada	55
Entry into Canada via the United States	45
Activities Participated in While on Trip	%
Shopping	77.5
Sightseeing	86.5
Visiting National, Provincial, Regional Park or Historic Site	56.9
Travel Party Composition	%
One Adult	25.8
Two Adults	52.6
Three or more Adults	9.08
Travelling with Children	11.9
Average Travel Party Size	2.3
Age of Japanese Visitors	%
Under 20	7.9
20-34	33.7
35-44	11.2
45-64	39.8
65+	7.5
Average of Visitors	40.5
Gender of Visitors to Alberta	%
Male	45.9
Female	54.1

Source: Statistics Canada, 1999 International Travel Survey

Comment: In 1999, 146,000 Japanese visited Alberta for one or nights. They spent $111.6 million in Alberta. Japanese visitors to Alberta spend an average of 3.6 nights in Alberta on their trip. Their most frequently mentioned activities while on their trip include: shopping (77.5%), sightseeing (86.5%), and visiting National, Provincial, Regional or Historic Sites (56.9%). Japanese visitors to Alberta traveled in small travel parties averaging 2.3 people, comprising mostly of adults. Few traveled with children (11.9%). Japanese travelers were middle aged, with an average age of 40.5 years. More females traveled than males. This may represent the office ladies segment.